



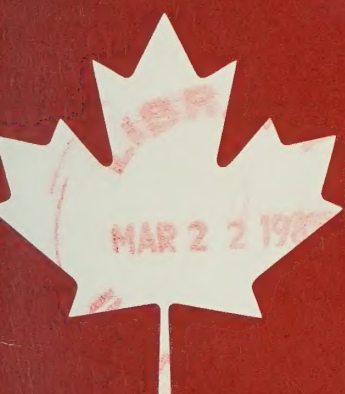
Canadian International
Development Agency

Agence canadienne de
développement international

Gouvernement
Publications

CIDA's Industrial Cooperation Program

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EA 81
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Business Cooperation
Branch

**Further
Information**

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© Minister of Supply and Services Canada 1984
Cat. No. E 94-54/1984 E
ISBN 0-662-13321-8

Également disponible en français



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CIDA's Industrial Cooperation Program



Business Cooperation
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The Need

Strengthened economic ties between Canada and rapidly industrializing nations of the Third World.

Development assistance tailored to the changing needs and priorities of developing countries.

The Response

Mutually profitable business relationships between Canadian companies and their developing country counterparts, e.g.:

- joint ventures
- direct investments
- management contracts
- licencing agreements
- co-production arrangements
- technical cooperation
- technology transfer
- project preparation studies
- information development and dissemination

The Program

For Canadian Companies wishing to investigate industrial cooperation opportunities in developing countries:

- funding for travel, profitability and risk analyses, product/technology testing;
 - funding for project preparation studies as a lead-in to large capital projects;
 - funding for demonstration/test projects as a lead-in to technology transfer;
 - leads and information on opportunities, and on local conditions and business practice;
 - assistance in locating qualified Canadians to work abroad;
 - specialized training of local employees;
-

- professional services to cope with special situations, such as complex tax or legal problems;
- investment missions to developing countries.

For developing countries seeking Canadian private sector participation in their economic development:

- investment-seeking missions to Canada;
- information on Canadian technology and expertise;
- trade facilitation;
- business training in Canada and in home country;
- linkages between Canadian and local business and manufacturing organizations;
- public sector institution building in cooperation with Canadian counterpart institutions;
- technical assistance to businesses requiring short-term experts;
- assistance for the use of Canadian consultants or experts to assist in delineating industrial development priorities, promoting and managing exports, and providing direct, continuing expert advice to all segments of the economy, private and public.

The Recipients

- Canadian business and industry, defined as business men and women, proprietorships and limited companies subject to Canadian law.
- Preference will be given to small and medium-size companies.
- Most developing countries.

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Canada



Canadian Technology Transfer Facility (CTTF)

Background

Access to Canadian technology could significantly improve the development of many of the world's less advantaged nations. However, the cost of proving that the technology is appropriate in a developing country environment often restricts its availability and prevents companies from taking advantage of its potential for application overseas.

The CTTF is intended to apply to both process and product technology on two bases:

- a traditional or stable technology in which the pace of change is relatively slow but for which refinements or adaptations may be required to meet particular environmental considerations;
- b state-of-the-art or unstable technology in which the pace of change is so rapid that new generations of technology occur frequently and are often remarkably different than their immediate predecessors, but nevertheless at each stage may offer significant advantages for implementation or replacement of previous technology.

Purpose

To enable Canadian firms to test and adapt their technology in developing countries as a lead-in to long-term cooperation with their developing country counterparts.

Coverage


Up to 75% of the net costs of a test/demonstration project in an eligible developing country.

Criteria	<p>Following consultations with CIDA, the company must submit a proposal outlining:</p> <ul style="list-style-type: none"> a the type of process/product technology; its level of development in Canada and its appropriateness to the developing country; b its intention to engage in long-term cooperation in the country concerned; c its intention to transfer all or part of the technology to the country concerned via mechanisms such as joint ventures, licencing, co-production, etc.; d the need for and scope of the test; e the estimated costs of the test; f the ensuing benefits to the developing country and to Canada; g the track record of the applicant and the company's ability to follow through.
Eligible Applicants	Canadian firms
Eligible Countries	See attached list



Canadian Project Preparation Facility (CPPF)

Background	\$30 billion per year in untied sourcing is available from international financing institutions for development projects identified by developing countries. Canadian firms, particularly manufacturers, have been notably absent from these bidding processes, although Canada contributes significantly to the institutions concerned.
Purpose	To enable Canadian companies to provide project preparation (pre-feasibility) studies to developing countries to accelerate their industrialization and to facilitate Canadian participation in project implementation.
Coverage	As a general rule, up to \$350,000 per project on the basis of negotiated scope of work and fee.
Criteria	<p>Following discussions with CIDA, the company must submit a proposal outlining:</p> <ul style="list-style-type: none">a the nature and scope of the project;b the estimated hours of work, net salaries of professionals concerned and expenses;c the contracting agency in the country concerned which has sole-sourced the applicant;d the likely source of financing for project implementation and the degree of its knowledge and interest in the project;e the detailed benefits of the project to the country, i.e. its developmental impact;f the potential benefits to Canada, i.e. the value of services and goods likely to be competitively available from Canadian sources;g the company's competence in projects of this nature.
Eligible Applicants	Canadian firms
Eligible Countries	See attached list



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Starter and Viability Studies

Background	The need for developing countries to industrialize is self-evident as is the need for Canada to develop closer economic ties with these trading partners of the future. Long-term, mutually beneficial business relationships between Canadian companies and local entrepreneurs can assist in fulfilling both needs.
Purpose	To reduce the front-end costs a Canadian company must incur to investigate opportunities in developing countries for joint ventures, direct investment, licencing agreements, co-production arrangements, long-term management contracts, etc.
Coverage	<p>Starter Studies (preliminary analyses of opportunities) Up to \$15,000 per project for:</p> <ul style="list-style-type: none">a return economy air fare for approved personnel (may include nationals of the country concerned) between Canada and the site(s) of the proposed project;b accommodation and living expenses at \$150 per day; andc reasonable support services. <p>Viability Studies (detailed evaluation of projects) Up to \$100,000 as follows:</p> <p>100% reimbursed:</p> <ul style="list-style-type: none">a return economy air fare for approved company personnel from Canada to the site(s) of the proposed project;b accommodation and living expenses at \$150 per day.

50% reimbursed:

- a fees and expenses paid to outside consultants, lawyers and accountants and other necessary services. Travel costs will be accepted at economy class and accommodation and living expenses at \$150 per day;
- b expenses for testing to determine product, raw material, or process suitability; and
- c economy class travel to Canada by approved personnel from the developing country, and accommodation and living expenses at \$100 per day.

Criteria

Following discussions with CIDA, the company must submit an application outlining:

- a the nature and scope of the project;
- b the company's ability to implement it, i.e. its financial, managerial and technical resources, as well as its record of business achievements to date;
- c the contribution of the project to the particular country's development priorities, e.g.:

use of local labor

upgrading of skills

use of local materials

export or import substitutions potential

Eligible Applicants

Canadian firms

Eligible Countries

See attached list



Project Support

Background

There are often special problems to be overcome in establishing long-term industrial projects in developing countries. As well, commercial considerations often preclude full realization of development opportunities within industrial projects.

Purpose

To assist Canadian business people in overcoming unusual problems, and to increase the developmental impact of projects.

Coverage

CIDA will provide support and financial assistance, *inter alia*, in the following areas:

- a *Training* — special training programs to fill key gaps in the human resources from which the investor might draw;
- b *Professional services* — legal and other professional services required to come to grips with special situations (e.g. complex tax legislation);
- c *Project related equipment and facilities* to increase developmental impact.

Eligible Applicants

Recipients of this support will be companies or other organizations that have declared their intention to participate in an industrial project overseas. They will be expected to demonstrate to the satisfaction of CIDA that the problems involved are clearly beyond those encountered in developed markets, or that CIDA assistance added to their project would increase its developmental impact. Allowable expenses will be reasonable costs for the assistance required. Where travel or personnel is involved, payment will be made for travel costs at the economy class level and accommodation and living expenses at \$150 per diem.

Eligible Countries

See attached list



Technical Assistance

Background	Developing country governments, institutions, and companies lack the full range of expertise needed to make the most of their industrial potential.
Purpose	To match Canadian technical capacities to developing country needs.
Coverage	<p>Projects for:</p> <ul style="list-style-type: none">a Canadian business associations, institutions and groups, or international organizations, for activities and programs designed to stimulate small and medium-size Canadian business entities to increase their involvement in developing countries;b Canadian educational and training and specialized institutions, providing expertise in such fields as international tax problems, banking services, and joint venture formation;c LDC experts in fields related to industrial cooperation to act as resource persons in activities undertaken under the program for the above purpose.
Criteria	<p>Following discussions with CIDA, the applicant must submit a proposal covering:</p> <ul style="list-style-type: none">a the nature, scope and need for the project;b the ability of the applicant to implement it;c the mechanism for handling follow-on requirements.
Eligible Applicants	As above
Eligible Countries	See attached list



Countries in Which Industrial Cooperation Activities Are Eligible for CIDA Financing

Africa

Algeria
Angola
Benin
Botswana
Burundi
Cameroon
Cape Verde Islands
Central African
Republic
Chad
Comoros
Congo
Djibouti
Egypt
Equatorial Guinea
Ethiopia
Gabon
Gambia
Ghana

Guinea
Guinea-Bissau
Ivory Coast
Jordan
Kenya
Lebanon
Lesotho
Liberia
Madagascar
Malawi
Mali
Mauritania
Mauritius
Morocco
Mozambique
Namibia
Niger
Nigeria
Rwanda

Sao Tomé
and Príncipe
Senegal
Seychelles
Sierra Leone
Somalia
Sudan
Swaziland
Tanzania
Togo
Tunisia
Uganda
Upper Volta
Yemen Arab Rep.
Yemen People's
Dem. Rep.
Zaire
Zambia
Zimbabwe

Asia

Bangladesh
Bhutan
Burma
China,
People's Rep.
Cook Islands
Fiji
India
Indonesia

Kiribati
Malaysia
Maldives
Nepal
Pakistan
Papua New Guinea
Philippines
Singapore
Solomon Islands

South Korea
Sri Lanka
Thailand
Tonga
Turkey
Tuvalu
Vanuatu
Western Samoa

Latin America

Argentina
Bolivia
Brazil
Chile
Colombia
Costa Rica

Ecuador
El Salvador
Guatemala
Guyana
Honduras
Mexico

Nicaragua
Panama
Paraguay
Peru
Suriname
Uruguay

Caribbean

Anguilla
Antigua
Barbados
Belize
Cayman Islands
Dominica

Dominican Rep.
Grenada
Haiti
Jamaica
Montserrat
St. Kitts

St. Lucia
St. Vincent
Trinidad & Tobago
Turks & Caicos Is.
Virgin Islands (Br.)

Project Support

Technical Assistance

Starter and Viability Studies

**Canadian Technology Transfer Facility
(CTTF)**

Canadian Project Preparation Facility (CPPF)

**Countries in which industrial cooperation
activities are eligible for CIDA financing**

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Canada